

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES  
Medical Assistance Administration &  
Mental Health Division**

**To:** Advanced Registered Nurse Practitioners  
Community Mental Health Centers  
Free-Standing Psychiatric Hospitals  
Hospitals  
Managed Care Plans  
Physicians  
Psychiatrists  
Psychologists  
Regional Administrators  
Regional Support Networks  
CSO Administrators

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**Supersedes:** 98-61 MAA

**For further information,  
contact local RSN (see list  
enclosed).**

**From:** James C. Wilson, Assistant Secretary  
Medical Assistance Administration  
  
Tim Brown, Assistant Secretary  
Health and Rehabilitative Services

**Subject: Psychiatric Hospitalization**

**This memorandum updates instructions regarding psychiatric inpatient management and supersedes Numbered Memorandum 98-61 MAA (January 1999).**



**See next page...**

## **CRITERIA FOR INPATIENT PSYCHIATRIC CARE**

Inpatient psychiatric care for all Medical Assistance clients (on Title XIX and state programs) must be:

- ✓ Medically necessary (as defined in WAC 388-500-0005);
- ✓ Approved by the professional in charge of the hospital; and
- ✓ Certified by Mental Health Division designated professional contacts.

These designees must operate under the direction of the Regional Support Network (RSN) or tribal authority, as appropriate. A current list of MHD designees is attached. (*Attachment II*).

## **FACILITIES ELIGIBLE TO PROVIDE PSYCHIATRIC CARE**

DSHS reimburses for inpatient psychiatric care, as defined in chapters 246-320 and 246-322 WAC, only in the following facilities licensed by the Department of Health:

- ✓ Free-standing psychiatric hospitals;
- ✓ Medicare-certified distinct part psychiatric units; and
- ✓ General hospitals under contract with MAA when active psychiatric care is provided under the supervision of a psychiatrist.

## **AGE OF CONSENT FOR VOLUNTARY INPATIENT HOSPITAL ADMISSIONS**

*(Voluntary admissions occur as stated in chapters 71.05 and 71.34 RCW.)*

- **12 years of age and under:** May be admitted only by the consent of the minor's parent/legal guardian.
- **13 through 17 years of age:** May be admitted on application of 1) the minor and the minor's parent/guardian; 2) the minor's parent/legal guardian without the minor's consent; or 3) the minor without parental consent.
- **18 years of age and older:** May be voluntarily admitted only with his/her written, voluntary and knowing consent to treatment.

***Involuntary admissions may occur as stated in chapters 71.05 and 71.34 RCW.***

## PRE-ADMISSION CERTIFICATION FOR PSYCHIATRIC ADMISSIONS

- All psychiatric admissions for covered diagnoses (*Attachment I*) must be authorized prior to admission by the appropriate MHD designee (*Attachment II*). To determine the appropriate MHD designee, consult the client's Medical Assistance IDentification (MAID) card for county of residence. Refer to MAA's General Information Booklet for further information regarding the client's MAID card.
- **The MHD designee's responsibility:** To make a determination of medical necessity for admission in consultation with the required professionals and others, as appropriate.
- **The hospital's responsibility:** To communicate with the Mental Health Division (MHD) designee, provide information required to make a decision concerning the need for care, and incorporate appropriate mental health specialists in the plan of care.
- A voluntary admission is determined medically necessary when all the following criteria are met:
  - ✓ Ambulatory care resources available in the community do not meet the treatment needs of the client;
  - ✓ Proper treatment of the client's psychiatric condition requires services on an inpatient basis under the direction of a physician;
  - ✓ The inpatient services can be reasonably expected to improve the client's condition or prevent further regression so that the services will no longer be needed; AND
  - ✓ The client has been diagnosed as having an emotional/behavioral disturbance as a result of a mental disorder as defined in the Diagnostic and Statistical Manual of the American Psychiatric Association, the edition current at the time of admission.
- When a decision is made to approve voluntary admission, the MHD designee must document this decision on the Certification Form and provide this form to the hospital (*Attachment III, Form and Instructions*).
- Requirements for certification of medical necessity for involuntary admission are satisfied through the initial detention process for involuntary treatment in accordance with chapters 71.05 or 71.34 RCW.

## **POST-ADMISSION CERTIFICATION**

- The hospital must notify the MHD designee within 24 hours of any of the following changes in a client's status:
  - ✓ Conversion from involuntary to voluntary status under chapters 71.05 or 71.34 RCW;
  - ✓ Application for determination of Medical Assistance eligibility;
  - ✓ Change in the principal ICD-9-CM diagnosis code to a mental disorder; or
  - ✓ Hospital identifies need for extraordinary psychiatric service (e.g., electroconvulsive therapy).
- The MHD designee will determine whether to approve post-admission certification or extraordinary psychiatric service(s) within three calendar days of being notified of any of the above circumstances.
- If a hospital requests a certification decision retrospectively and/or outside the usual and expected procedures outlined above, the MHD designee may establish regional procedures to address such requests. The MHD designee has full authority to deny consideration of such requests.
- Although certification by the MHD designee is not required for persons who have been admitted to psychiatric inpatient care in accordance with Medicare standards, hospitals must notify the MHD designee of any person admitted for psychiatric inpatient care whose primary coverage is Medicare and whose secondary coverage is Medical Assistance.

## **LENGTH OF STAY EXTENSION FOR VOLUNTARY INPATIENT HOSPITAL ADMISSIONS**

- Unless an extension has been approved by the MHD designee, the length of stay will be calculated using the 75<sup>th</sup> percentile. MAA will use this criteria (as published in HCIA's 1996 Length of Stay by Diagnosis and Operation, United States Western Region) for all non-DRG claims for hospital admissions. (See *Attachment V – PAS*). Hospitals may report ICD-9-CM discharge diagnosis codes at either the 3-digit or 5-digit level, but MAA will group all codes to the 3-digit category in accordance with current Mental Health Division (MHD) policy.
- Any extension to a length of stay, as described above, requires written approval from the MHD designee. At admission or post-admission certification, the MHD designee will provide clear instructions for requesting length of stay extensions (See *Attachment IV, Extension Request Form*).

## OTHER LENGTH OF STAY EXTENSIONS

- **All clients involuntarily committed under chapters 71.34 or 71.05 RCW:**  
MAA will not reimburse for involuntary psychiatric care past the 20th day of care unless a length of stay extension is approved by the MHD designee (See *Attachment IV, Extension Request Form*). The MHD designee cannot deny extensions for youth waiting for a transfer to a Children's Long-Term Inpatient Program (CLIP).
- **Review of admissions under At Risk/Runaway Youth Act:** As defined in chapter 71.34 RCW, hospitals must provide the MHD designee access to review the care of a minor (regardless of source of payment) who has been admitted upon application of his/her parent or legal guardian. For purposes of this review, all information requested must be made available to the MHD designee. The MHD designee must document in writing any subsequent determination of continued need for care, and include a copy of the determination in the minor's hospital record.

## BILLING PROCEDURES

- Hospitals must submit UB-92 claim forms to MAA for voluntary or involuntary inpatient psychiatric admission according to MAA's Inpatient Hospital Services Billing Instructions and ITA Billing Instructions. The MHD designee will manage length of stay according to the client's legal status at admission. All claims for admissions to out-of-state hospitals will be managed as voluntary claims.  
  
**Beginning with admissions occurring January 1, 1999, each claim for voluntary or involuntary admissions must indicate the 9-digit authorization code that identifies the specific admission and the MHD designee that authorized the admission.** It is the responsibility of the hospital to contact the MHD designee to obtain this authorization code. In order for the claim to be paid, this authorization code (see *Attachment VI*) must be entered in form locator 63 on the UB-92 claim form.
- Physicians, psychologists or mental health professionals who participate as members of a DSHS-designated team which certifies the need for care for persons 20 years of age or younger, may each bill MAA under state-unique procedure code 9089M on a HCFA-1500 claim form. This service is described as certification activities related to an elective admission for inpatient psychiatric care of clients 20 years of age and younger. A 9-digit authorization code is not required for these claims.

## PLAN OF CARE REQUIREMENTS

- At pre-admission or post-admission certification, the MHD designee may outline specific plan of care requirements for the inpatient stay. Planning requirements ensure that clients receive active treatment allowing for their discharge at the earliest possible time.
  - At a minimum, an individual plan of care should be prepared within three calendar days of:
    - ✓ Admission; **OR**
    - ✓ Date of the application for Medical Assistance eligibility.
  - The inpatient facility team must develop the individual plan of care. The team must include the following:
    - ✓ A board-eligible or board-certified psychiatrist; **OR**
    - ✓ A physician with training and experience in the diagnosis and treatment of mental illness; **AND** a certified counselor who has a master's degree in clinical psychology; **OR**
    - ✓ A clinical psychologist who has a doctoral degree;
- AND at least one of the following:**
- ✓ A psychiatric social worker; **OR**
  - ✓ A registered nurse; **OR**
  - ✓ An occupational therapist who has specialized training or one year of experience in treating clients with mental illness; **OR**
  - ✓ A certified counselor with a master's degree in clinical psychology; **OR**
  - ✓ A mental health professional certified in accordance with chapter 388-865 WAC.

The plan of care must include all of the following:

- Be based on a diagnostic evaluation that includes examination of the medical, behavioral, developmental, and substance abuse related aspects of the client's condition;
- Be developed in consultation with the:
  - ✓ Client and parent(s) or legal guardian (if the child is a minor); and
  - ✓ MHD designee; and/or
  - ✓ Client's designated direct care provider(s).
- Have documented treatment objectives;
- Have prescribed an integrated program of therapies, activities, and experiences designed to meet the objectives;
- Include: (a) post-discharge plans and (b) coordination of inpatient services with partial discharge plans and related community services to ensure continuity of care after discharge; **AND**
- Be reviewed by the inpatient facility team (including a MHD designee) every 30 calendar days or more frequently, according to MHD designee requirements, to:
  - ✓ Determine that the client continues to require services on an inpatient basis; **AND**
  - ✓ Recommend changes in the plan as indicated by the client's status; **AND**
  - ✓ Ensure continuity of care with the outpatient mental health system.

Documentation that reflects the process and outcomes of the plan of care development must be included in the client's hospital record.

## INFORMATION REQUIREMENTS

- Hospitals must provide the MHD designee with all the information listed below, in a format determined by the designee.

- ✓ Name of inpatient facility;
- ✓ Date of Admission;
- ✓ Date of Discharge;
- ✓ Client name, gender, ethnicity and date of birth;
- ✓ Client Social Security Number;
- ✓ Client residential zip code and county;
- ✓ Client Patient Identification Code (PIC), if known;
- ✓ Primary discharge diagnosis (ICD-9CM code);
- ✓ Secondary discharge diagnosis (ICD-9CM code); and
- ✓ Legal status at admission (voluntary or involuntary).

**This information must be provided to the designee within one month (or as soon as possible) of the discharge for all publicly funded (Title XIX and state programs), voluntary admissions and for all involuntary admissions regardless of payment source.**

- Hospitals must also provide information pertaining to the cost of care of all publicly funded admissions, if requested by the MHD designee.
- In addition, hospitals must provide clinical information specified by the MHD designee as necessary for the hospital's active participation in and implementation of a plan of care.